

Water Transfer Work Group Meeting Minutes August 1st , 2011

Attendees: Bob Barwin, Stuart Crane, Melissa Downes, Ingrid Ekstrom, Bill Ferry, Chuck Garner, Candy Graff, Teresa Hauser, Anna Hoselton, Stan Isley, Paul LaRiviere, Walt Larrick, Chris Lynch, Larry Martin, Jason McCormick, Tom McDonald, Lisa Pelly, Tom Ring, Scott Turner, Ron Van Gundy, Kurt Walker and Anne Watanabe. Aaron Penvose, Traci Shallbetter and Susan Adams participated telephonically.

Changes to June 6th meeting minutes:

Melissa – 2011-44 - There were references to Ingrid and they should have been Candy.

2011-49 –Ecology clarified that a permit is needed for properties. Anne stated that there are currently 8 not 6 people on the system.

2011-48 & 49 The group gave it a thumbs up contingent upon the water transfer being part of the Exchange Contract and review by Yakama Nation via Tom Ring. Tom said he had not done it, but would be working on it. Anne wanted a timeline and it will be within the next few days.

New Proposals

2011-60 Suncadia – Eli Shoval Lot 3 of Wedgwood Estates - (moved to the top, per a request from Melissa) Last month Candy presented a Spex Arth Creek by the same Oren development owned by Eli Shovel. It was a domestic use with 500 sq. ft. of lawn and garden irrigation. The owner has another lot that has been Group B (designation of less than 16 connections to a single well) domestic water system approved by the Department of Health. Eli wants one lot now and possibly six residences will join at a later date. The request is for a well that will be for 33 gallons per minute which is a maximum for all the applications, not per application. It is 500 feet from 2011-44 which was previously proposed and is a similar depth. The well is for a **total** of 350 gallons per day, not 350 gallons per day per connection. Paul said the 350 gallons, 500 sq. ft. would be no problem @ 0.414 acre-foot per connection. There were no fish issues because the well intercepts groundwater that discharges into the Yakima River. Candy stated that in the location of the well, static water level is deep and disconnected, discharging to Yakima drainage not the Spex Arth Creek. Paul recalled there are dry areas and from the fishery perspective there is not much surface water at this site. On the map there are hydro layers that show because of the scale. Candy explained that between the 2 systems (2011-44 and 2011-60) there will be 2 wells and 15 connections total. This well has been approved for 7 connections (this is one of seven) the previous well 2011-44 was approved for 8. Walt wanted to make sure that the group was going to look at each one individually and review each new proposal. Melissa stated that we don't have any more at this time. There was a conversation on "minimal impact" and "no impact". Paul wanted it stated there is minimal impact from a conservative perspective. Tom wanted it clarified they are not talking the same language. He works on "no impact", and if they find otherwise, the no-impairment laws still apply. The pump test was done at both of the wells, one pumped at 33 and the other was 34 gallons per minute,

and there was no more than 3 feet of drawdown in a 4 hour period. Tom said that if that was duly noted that there would be zero impact to Spex Arth Creek then he would give it thumbs up. The group gave this a Thumbs up Recommendation.

2011-50, -61 & -62 Swift Water Ranch LLC – Stougard, Von Normann, Bourne

Melissa wanted to give some generalities of these three requests. This is for a Swift Water Water Bank in the Teanaway basin, the water right has previously come to the group and been given a thumbs up for transfer to instream flow use and now it is moving into mitigation for individual new well proposals to come that need to utilize the storage contract. Similar to Suncadia, DOE has worked on developing a green, yellow and red map for mitigation purposes. These proposals are all in the green zone.

Ingrid explained these are three proposals based on the Swift Water Mitigation. Stougard (2011-50) is located just south of the Teanaway River, and Von-Normann (2011-61) and Bourne (2011-62) are located north of the Teanaway. They are each requesting one domestic connection with 500 sq. ft. of lawn and garden irrigation. They are assigning a portion of their consumptive use to the exchange contract which is from the end the historic Teanaway subbasin irrigation season, Sept 15th, through October 31st, which is a total of 0.017 acre-foot per proposal. Paul stated the post irrigation season has been given thumbs down from the standpoint of the fisheries impacts. It is hard to move forward until they can answer the mitigation for these post-irrigation season lower Teanaway River flow reduction issues. Traci talked about the significance of putting water into instream flows and these smaller transactions. Tom said that there is a difference between someone taking their water right and putting it instream and someone proposing a new use. Traci asked about the specific mitigation project that is being worked out and Tom said it is just being hatched out. Traci wanted to know what she can do to get this a thumbs up. Tom and Paul wanted it put on next month's agenda to see if there have been any changes and the project has made any headway. Stan wanted Starkovich also put on the next meeting's agenda as it is in the same situation. Walt said we will put these off until next meeting.

2011-63 Suncadia Mitigation – (moved) Ingrid grouped 3 proposals into one, they are two adjacent proposals. They are proposing to use 5 connections and 500 sq. ft of lawn and garden irrigation each, for a total of 2,500 ft. of lawn and garden. They are located in the Morgan Creek area with 2 existing wells there already with the proposal of 3 more for a total 5 wells. Hydrogeology impact is on Morgan Creek and Cle Elum Lake. Paul had no Issues. Tom asked what we know about Morgan Creek. Paul said surveys have been done late dry year, and based on the field work they have been giving a thumbs up because of disconnection on surface water and no flow. Tom wanted to know if we have approved others. All stated "yes"; it is on the map in army green. It was given a Thumbs Up Recommendation.

2011-51 Stevens and Kraft Mitigation with Suncadia Trust Water Right. Kurt explained that this request is for a single domestic use, Suncadia Lamb - Anderson right for mitigation. The nearest surface body of water is near Mosquito Creek. The hydrogeology analysis indicates that the flow impacts would be solely to the Yakima River. Paul explained that Mosquito Creek is

totally an independent drainage and sits close to the flood plain. He still wanted to go on the record and be consistent and asked – if we would ask them to use the minimal amount of 500 sq. ft. per day. Paul gave it a thumbs up and Tom concurred. The group gave it a Thumbs Up Recommendation.

2011-52 Reecer Creek – Fagalde & Wilson. Melissa stated that this request fell under the criteria to priority process and is an application for change. It has Salmon Recovery Funding Board dollars associated with it. On Reecer Creek, the point of diversion was confirmed at a point on the ditch as opposed to the actual ditch headworks on Reecer Creek. This proposal is moving the authorized point of diversion from the ditch location up ditch to its actual diversion point from the creek. It will be fish screened and the system will be closed pipe. The change itself is to only change the point of diversion from the ditch location (in red on the map) to up ditch where water had historically been entering the ditch (yellow on the map) from Reecer Creek. The current location is currently not screened. Tom was asking if this was an upstream move. Paul said he did not think so. Walt wanted to know if it was just being moved on paper and if it has already been moved. Melissa confirmed the project has already happened. The group gave it a Thumbs Up Recommendation.

2011-53 Talerico – R&R Heights Land Company. Anne stated that this is a continuation of 2011-49 in advance of the Trust Water being available. It is the same well, same group system, in the same area. There is not an official proposal into ecology for a permit. They want to add 10 additional residential units in the existing water system coming off SR903. The nearby creek is Crystal Creek (the units are marked with blue stars on the map). Three were brought to the group last meeting. Anne stated that Tom would have to factor this in when he makes his request to the fish folks as it is the same system and well. Melissa wanted to clarify that this is an existing Group B domestic water system that has 14 approvals and currently has 8 people connected and last meeting Anne proposed to add 3 and now it's an additional 10? Anne stated that the existing 6 that have not come on the Group B Water system and have a certain amount of time under the Ecology rule to do so, and if they don't they would have to come back to the group to get mitigation water. This particular part of the request is to bring the mitigation water request to the group to make sure there are no fish issues before they enter into any 3rd party contracts for mitigation water. Paul stated that his opinion for the record stays the same based on the minimal amount of request. Tom asked if they were going to use outdoor water, and Anne stated that none has been requested because it is Timberland. Tom wanted it added to the 2011-48 and 2011-49 for his side bar with Tribal people. It won't be on the agenda for next month unless it needs to. Walt stated that if Tom has some issues with it that it would come back to the table. Anne will be in contact with Tom after he has his discussion.

2011-54 Big Creek – Lund

2011-55 Big Creek – Lund, Wallick & Mervos (Trout Unlimited) Aaron stated that this was 2 applications and wanted the group to look at them in conjunction with each other. TU has leased the two water rights to create a diversion reduction in Big Creek. Big Creek water users association has a diversion about two and a half miles up from the confluence of the Yakima River and has an automated system. Trout unlimited worked with them last year for a 1

year lease to reduce their diversion – which was a success and now they want to make it a 5 year lease. They have an irrigation season and 4 different stock water seasons, and TU worked with them specifically on the latter part of the irrigation season to reduce their diversion by 0.33 cfs on the two rights (2011-2013). For the September 2nd to November 15th period, TU has asked them to reduce their diversion by 0.25 cfs. At the end of 2013, some currently-trusted water was scheduled to come out of trust, so TU has added that water to the water they are leasing in 2011-2013, to keep it in trust for 2014-2015. Stan clarified that these leases don't lease any water during the early irrigation season and also don't lease any late winter early spring stock water. Aaron explained the difference in numbers between the 1.6 cfs and 1.07 cfs. The difference is already instream through the 2013 irrigation season under the previous Irrigation Efficiencies Program agreement. Melissa stated that it is her understanding there is no irrigated acreage reduction with these proposals; it is just savings and diversion reduction at the Big Creek Waters Users diversion? Aaron confirmed and stated TU is asking for the diversion reduction to augment instream flows only in the primary reach in Big Creek downstream to its confluence with the Yakima River and then a short distance down river. They are not going to completely fallow any of their irrigated ground, but they are going to reduce the amount that they are going to irrigate. There will be consumptive use, but not enough irrigation to get full production. There is only a primary reach, and no secondary reach, and the primary reach goes all the way down to Little Creek's confluence with the Yakima River. There were four people and now there are 6. Paul asked whether or not there is a water master, Aaron explained that they get automated readings at the headgates by the minute. The group Recommended a Thumbs up on both.

2011-56 Teanaway – Masterson – Jason explained Washington Water Trust has worked on a few other things for Kathy Masterson and that this is an extension of what they were leasing for a period of five years from 2011-2015, 154 acres of fallowed land. It would be for the entire irrigation season each year. Walt asked where the point of diversion was and Jason explained it was the pump station on the lower Teanaway. (The water use has been thoroughly looked over by the DOE). In 2002 the point of diversion was changed to a new point of diversion off the original ditch and onto a new downstream pump station. Since then, the former ditch conveyance loss water has been assigned to instream flow use by court Order Pendente Lite. Now this ditch water transaction would purchase the water that was saved from the change of point of diversion and permanently place it in the State Trust Water Program. Stan stated a good way to look at it would be that the Mastersons have been vigilant about protecting 100 % of their water, although they have not diverted 100% of it in the past several years. The group gave this a Thumbs Up Recommendation.

2011-57 South Fork Cowiche Creek – Jason explained that this is taking a water right that is temporarily assigned to instream flow use, owned by WDFW on South Fork Cowiche Creek, from 2009-present. They have a total of 32 acres and 24 of these are currently assigned to instream flow use. They now don't want to irrigate the remaining 8 acres. Their last real year of water use was in 2006. Melissa wanted it verified that their 24 acres are already in the OPL process and wanted to know if there was an expiration to that, Jason stated that it is currently for 5 years, 2009-2013, and that this is a superseding 10-year

donation to trust from 2011 through 2020 for the full 32 acres. The group gave it a Thumbs up Recommendation.

2011-58 North Fork Teanaway River – Shirley Cromarty – Jason explained that WWT has done a lot of water right leasing with her since 2003 and that this water was protected as instream flow use water through 2010. The water was consistently leased from 2003 to 2009. Last year the water was leased as well and now they want to place this into the trust as a 2-year donation until she knows what she wants to do. The land has been fallowed all this time. There are other land owners in the same meadow and Jason is working with them individually. This is a two year donation from 2011-2012. The group gave this a Thumbs up Recommendation.

2011-59 American Forest Holding LLC – Bowen & Pelly – Lisa explained that she was here last year where American Forest Holdings put water instream for a year (2010) and this year they have agreed to put their water instream for 3 more years of trust. They own seven water rights and have five into Trust. One water right comes from Indian Creek, three of them on the North Fork of the Teanaway and the last one is on the Teanaway River. They are not putting stock water into trust at this time. They are keeping about 10 acre-feet for fire, road watering and misc. other use. Stan stated that there was a 2003 water right change approved to the 1889 water right, not to the 1893 water right, that shifted the authorized season of use 15 days for a 6 acre-feet portion of the right, authorizing use from May 15th through September 30th for timber harvesting and associated uses. The group gave this a Thumbs up Recommendation.

Walt closed the meeting at 2:25 p.m.

The next meeting is scheduled for August 29th 2011 at 1:00 p.m.